

LAW ENFORCEMENT OFFICERS' AND FIRE FIGHTERS' PLAN 2 RETIREMENT BOARD

2004 – 2009 STRATEGIC PLAN

Adopted: July 28, 2004

Guiding Principles

Who We Are

- Mission
- Organizational Values

Priority Goals

What We Want to Accomplish

- Major tasks to be accomplished during the 3 – 5 years

Primary Strategies

How We Will Achieve the Goals

- Performance Objectives
- Key Tactics
- Action Plans

Performance Measures

How We Measure Success

- Objective measurements of performance

Guiding Principles

Who We Are

Mission

- The mission of the Law Enforcement Officers' and Fire Fighters' Plan 2 Retirement Board is to responsibly govern the pension plan for the benefit of the members.

Organizational Values

- We will treat those we serve and each other with respect, fairness, and honesty.
- We will communicate openly and professionally.
- We will foster a climate of innovation, integrity, accountability, and excellence.
- We will work with those we serve to meet their needs.

Priority Goals 2004 – 2009

What We Want to Accomplish

- Enhance the benefits for the members.
- Provide the stakeholders with a voice in plan governance.
- Maintain the financial integrity of the plan.
- Stabilize contribution rates.

Primary Strategies

What We Will Do To Achieve Our Goals

Goal: Enhance the benefits for the members.

■ Performance Objectives

- Add benefits that are affordable for stakeholders
- Increase benefits for workers injured in the line of duty

■ Key Tactics

- Propose legislation that improves the plan for the stakeholders
- Compare plans from other states and relevant organizations
- Identify potential revenue sources for benefit enhancements
- Obtain stakeholder input for needed changes in the plan
- Research and monitor Federal pension and tax laws

■ Action Plans

| Action | Lead(s) | Schedule | Status |
|--------|---------|----------|--------|
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Goal: Provide the stakeholders with a voice in plan governance.

■ Performance Objectives

- Develop communication media for the stakeholders
- Maintain stakeholder confidence in the integrity of the plan

■ Key Tactics

- Provide opportunities for member communication/feedback
- Make presentations to stakeholder groups
- Solicit information about stakeholder priorities and issues
- Make presentations at public hearings
- Develop a wide range of communication media such as Web site, newsletter and e-mail
- Inform stakeholders about opportunities for communication/feedback

■ Action Plans

| Action | Lead(s) | Schedule | Status |
|--------|---------|----------|--------|
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Primary Strategies, cont.

What We Will Do To Achieve Our Goals

Goal: Maintain the financial integrity of the plan.

■ **Performance Objectives**

- Establish prudent financial policies
- Identify additional funding mechanisms

■ **Key Tactics**

- Adopt adequate contribution rates
- Adopt financially sustainable budget for board operations
- Adopt economic assumptions, actuarial tables and cost methodologies
- Commission independent audits
- Research other options for revenue

■ **Action Plans**

| Action | Lead(s) | Schedule | Status |
|--------|---------|----------|--------|
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Goal: Stabilize contribution rates.

■ **Performance Objectives**

- Reduce rate volatility
- Increase the reliability and duration of rate projections

■ **Key Tactics**

- Consult with strategic partners to develop tools to increase rate stability
- Identify best practices from other states and organizations
- Examine opportunities to re-structure the plan to stabilize contributions rates

■ **Action Plans**

| Action | Lead(s) | Schedule | Status |
|--------|---------|----------|--------|
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Performance Measures

How We Will Measure Our Success

1. Enhance the benefits for the members
2. Provide the stakeholders with a voice in plan governance
3. Maintain the financial integrity of the plan
4. Stabilize contribution rates

| Goal | Method of Measurement | Target | Actual |
|-------|--|--|--------|
| 1 | Increased benefits for employees disabled in the line of duty | 70% of salary prior to disability | |
| 1 | Board proposals that are approved by the Legislature | 100% approval rate | |
| 1 & 2 | Research supporting proposals | Every proposal includes a research component | |
| 2 | Comprehensive communication program with targets and schedule | Plan presented by December 31, 2004 | |
| 2 | Feedback from the membership | Establish process for gathering input by December 31, 2004 Perform baseline surveying by March 31, 2005 | |
| 2 & 3 | Independent audits: <ul style="list-style-type: none"> • Board member expenses • Actuary's assumptions | <ul style="list-style-type: none"> ▪ Board expenses—no findings ▪ Actuary's assumptions—performed on timely basis | |
| 3 | Deviation from the expected long term cost of the plan | <ul style="list-style-type: none"> ▪ Decrease deviation over next two biennium ▪ Maintain deviation within 10% of long term cost | |
| 3 | Current and appropriate funding policies | Review, revise and adopt funding policies for LEOFF Plan 2 by December 31, 2005 | |
| 3 | Funded ratio under actuarial standards | At least 100% | |
| 4 | Actual performance vs. projections in key planning areas | Actual expenditures will not exceed projected expenditures | |